

# **Committee on Ways and Means**

## **Summary of H.R. 743, "Social Security Protection Act" as Passed by the U.S. Senate**

### **Protects Beneficiaries From Representative Payees Who Misuse Benefits**

- Disqualifies from serving as representative payee persons convicted and imprisoned for more than one year or fleeing prosecution, custody or confinement.
- Creates a new penalty of up to \$5,000 for the misuse of funds by representative payees.
- Requires representative payees who misused funds to forfeit their fees and holds payees liable for repayment of misused benefits.
- Authorizes the re-issuance of benefits misused by certain representative payees.
- Requires bonding and licensing for community-based nonprofit agency representative payees and increases periodic reviews of representative payees serving a number of beneficiaries.

### **Protects Social Security Programs and Individuals**

- Bans fugitives and other criminals from receiving Social Security benefits.
- Imposes civil monetary penalty against persons who withhold material facts in order to obtain or increase benefits.
- Prohibits persons from charging a fee for a service, unless they include a statement that the same service is available from Social Security at no cost.
- To help avoid overpayments, requires Social Security to issue a receipt when a person receiving disability benefits reports work or changes in earnings.
- To increase overpayment collection, authorizes recovery across Social Security and SSI program lines.
- Imposes fines on persons who intimidate, impede or threaten a person carrying out the administration or duties of the Social Security Act.
- Allows Federal courts to order a person who breaks the law relating to Social Security or to the SSI program to make restitution to the individual, the trust funds or general fund as appropriate.

### **Helps Individuals with Disabilities Gain Access to Representation**

- Improves SSI and Social Security applicants' access to representation by extending withholding of attorney fee payments to SSI claims for 5 years, coinciding with a 5-year nationwide demonstration project to extend fee withholding to qualified non-attorney representatives for the first time.
- To help ensure enough attorneys remain available to represent claimants before Social Security, the 6.3 percent assessment on an attorney's approved fee will be subject to a cap of \$75 in both Social Security and SSI claims. The cap will be adjusted annually for inflation.

### **Enhances Opportunities for Individuals with Disabilities to Return to Work**

- Provides clarifying amendments to the Ticket to Work and Work Incentives Improvement Act of 1999.
- Clarifies that the Work Opportunity Tax Credit would also be available to employers who hire a disabled beneficiary who is referred from any employment network, not just the State rehabilitation agency.
- Extends by one year the date on or before which the Social Security Administration (SSA) may initiate and operate demonstration projects testing incentives to work, and extends authorization for benefits planning, assistance, and advocacy provided by community-based programs to 2009.
- Enables individuals receiving disability benefits based on a parent's earnings due to a childhood disability to work without fear of losing the ability to restart those benefits if they must later stop working.

### **Improves and Simplifies the Supplemental Security Income Program**

- Enables children of military parents stationed overseas to receive benefits if the child is born or becomes disabled while outside the United States.
- Improves benefits for children and spouses of military personnel by eliminating disparities in how cash and non-cash military compensation is treated.
- Establishes uniform treatment of interest and dividend income and time frames for exclusion of assets in determining benefit eligibility and amount.
- Simplifies program administration.
- Encourages work by amending rules for certain students receiving SSI.

### **Corrects, Clarifies and Modifies Various Technical Aspects of Current Law**

- Provides compensation to Social Security Advisory Board members.
- Eliminates loophole in the law that exempted State and local workers who do not pay Social Security taxes from the Government Pension Offset. Improves public education on Social Security provisions affecting benefits for government workers not subject to Social Security taxes.
- Adds Kentucky and Louisiana to the list of states allowed to have a divided retirement system.
- Makes technical changes to the Railroad Retirement and Survivors' Improvement Act of 2001 to improve Trust investment procedures, clarify Board administrative powers, and clarify Trust's tax-exempt status.